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Message Text

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PAGE 01 REYKJA 01007 021605Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00
EB-08 INR-10 NSAE-00 CG-00 DLOS-09 OES-09 L-03
/052 W
----------049297 031116Z /13
R 021519Z AUG 78
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 8609
INFO COMICEDEFOR KEFLAVIK IC
NAVSTA KEFLAVIK IC
COMSC WASHDC
FEDERAL MARITIME COMMISSION WASHDC

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E.O. 11652: N/A
TAGS: EWWT, MARR, IC
SUBJECT: SEA TRANSPORT BETWEEN US AND ICELAND

REF: A) REYKJAVIK 0803 DTG 161548Z JUN 78
B) STATE 178704 DTG 170557Z JUL 78

1. BEGIN UNCLASSIFIED: RIVALRY BETWEEN EIMSKIP AND BIFROST FOR SHARE OF US-ICELAND SHIPPING REMAINS STRONG. EIMSKIP ANNOUNCED JULY 31 THAT IT WAS LOWERING RATES FOR SHIPMENTS TO ICELAND DEFENSE FORCE BY 25 PERCENT BECAUSE INCREASED CONTAINERIZATION AND EFFICIENCY IN OPERATIONS HAVE REDUCED COSTS TO COMPANY.

2. AUGUST 1 BIFROST BIFROST COUNTERED BY DECLARING IT IS LOWERING RAT
ES
FOR ALL SHIPMENTS BETWEEN US AND ICELAND BY 25 PERCENT. BIFROST SPOKESMAN ALSO SAID THAT COMPANY INTENDED TO ACQUIRE ADDITIONAL VESSELS AND WOULD BEGIN SHIPPING BETWEEN ICELAND AND REST OF EUROPE. END UNCLASSIFIED.

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3. COMMENT: MSC DECISION TO TRY TO GIVE BOTH EIMSKIP AND BIFROST SHARE OF FREIGHT (REF B) IS KEY ELEMENT IN PRICE WAR BETWEEN ABOVE COMPANIES WITH EIMSKIP CLEARLY DETERMINED TO FORCE ITS COMPETITOR OUT OF SERVICE WHICH IT HAS HITHERTO MONOPOLIZED. ACCORDING TO BIFROST, THIS WAS THIRD TIME EIMSKIP HAD TRIED TO UNDERCUT ITS RIVAL BY LOWERING FREIGHT RATES. AS BIFROST REPRESENTATIVES HAD NOTED EARLIER (REF

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A), EIMSKIP SEEMS WILLING TO ABSORB TEMPORARY LOSSES IN
REVENUE ON US-ICELAND RUN IN HOPE OF MAKING THEM UP THROUGH
INCREASED CHARGES WHICH IT HAS IMPOSED FOR SERVIVE BETWEEN
ICELAND AND EUROPE.
BLAKE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 02 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978REYKJA01007
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780318-0061
Format: TEL
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808107/aaaadlov.tel
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Message ID: 6b018b58-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 REYKJAVIK 803
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1560346
Secure: OPEN
Status: NATIVE
Subject: SEA TRANSPORT BETWEEN US AND ICELAND
TAGS: EWWT, MARR, IC, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/6b018b58-c288-dd11-92da-001cc4696bcc
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